

# JINDAL HOTELS LIMITED, VADODARA

GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



## CORPORATE INFORMATION

**Name:** JINDAL HOTELS LIMITED

**CIN:** L18119GJ1984PLC006922

### Registered Office

GRAND MERCURE Vadodara Surya Palace,  
Sayajigunj,  
Vadodara- 390 020.

**Ph.:** (0265)2363366/2226000/2226044

**Fax:** (0265) 2363388

**E-mail:** [share@suryapalace.com](mailto:share@suryapalace.com)

**Website:** [www.suryapalace.com](http://www.suryapalace.com)

## REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.

B-102 & 103, Shangrila Complex,

First floor, Opp. HDFC Bank,

Near Radhakrishna Char Rasta,

Akota, Vadodara - 390020 Gujarat

**Tel. No:** 0265-2356573

**E-Mail:** [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

## COMPANY SECRETARY

Ms. Karuna V Advani

## AUDITORS

M/s. V. Shah & Associates,

Chartered Accountants,

12, Dhayber Colony,

B/H Baroda High School,

Near Polo Ground, Vadodara - 390 001

## AUDIT COMMITTEE

Name of Director	Category
Mr. Jatil Patel	Chairman
Ms. Chanda Shah	Member
Mr. Ambalal Patel	Member
Mr. Mukund Bakshi	Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Designation
Ms. Chanda Shah	Chairperson
Mr. Piyush Shah	Member
Mr. Nilesh Shah (Resigned on 18/03/2017)	Member
Mr. Satvik Agrawal (Appointed w.e.f 18/03/2017)	Member

## NOMINATION & REMUNERATION COMMITTEE

Name	Designation
Mr. Mukund Bakshi	Chairman
Mr. Ambalal Patel	Member
Mr. Jatil Patel	Member

## BANKER

HDFC BANK LTD.

Ground Floor, Productivity House, Productivity Road Alkapuri,  
Vadodara-390005, Gujarat

## BANK OF MAHARASHTRA

Alkapuri - Akota Branch,

Vadodara, Gujarat

## SECRETARIAL AUDITOR

Kashyap Shah & Co., Vadodara

## CONTENTS

Sr. No.	Particulars	Page No.
1	Notice of Annual General Meeting	3-6
2	Boards' Report & Management Discussion & Analysis	7-12
3	Annexure to Boards' Report	13-21
4	Report on Corporate Governance	22
5	Independent Auditors' Report	23-25
6	Balance Sheet	26
7	Statement of Profit & Loss	27
8	Cash Flow Statement	28
9	Notes to Financial Statements	29-41
10	Attendance slip/ Proxy Form	43

## BOARD OF DIRECTORS

Sr. No.	Name	Designation
01	Mr. Ambalal Patel	Chairman Non Executive Independent Director
02	Mr. Piyush Shah	Managing Director
03	Mr. Nilesh Shah (Resigned on 18/03/2017)	Non Executive Director
04	Ms. Chanda Shah	Non Executive Director
05	Mr. Jatil Patel	Non Executive Independent Director
06	Mr. Mukund Bakshi	Non Executive Independent Director
07	Mr. Satvik Agrawal	Non Executive Non Independent Director (w.e.f. 20/09/2016)
08	Ms. Shagun Mehra	Whole-Time Director (w.e.f. 01/08/2016)



To,  
The Share Department  
Jindal Hotels Ltd.  
GRAND MERCURE Vadodara  
Surya Palace,  
Sayajigunj, Vadodara 390 020.

**Updation of Member Information**

I/We request you to record the following information against my/our Folio No.:

**General Information:**

Folio No. / DP ID / Client ID :  
Name of the first named Member:  
PAN: \*  
CIN/ Registration No.: \*  
(applicable to Corporate Members)  
Tel No. with STD Code:  
Mobile No.:  
Email Id:

\*Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC:  
(11 digit code)  
MICR:  
(9 digit code)  
Bank A/c Type: Bank A/c No.: \*  
Name of the Bank:  
Bank Branch Address:

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:  
Date:

\_\_\_\_\_  
Signature of Sole/ First holder

# JINDAL HOTELS LIMITED, VADODARA

## GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



*Dear Members,*

You are cordially invited to attend the **32<sup>nd</sup> Annual General Meeting (AGM)** of members of Jindal Hotels Limited to be held at the Registered Office of the Company: GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara, Gujarat on **Tuesday, 12<sup>th</sup> September, 2017 at 3:30 p.m.**

We are glad to inform you that in compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, the Company is to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice. **The process of e-voting to be followed forms part of Notice (i.e. Please refer point No : 14 on Page No : 4).**

### NOTICE

Notice is hereby given that the **32<sup>nd</sup> Annual General Meeting** of the members of M/s. Jindal Hotels Limited, will be held on **Tuesday, the 12<sup>th</sup> day of September, 2017 at 3:30 p.m.**, at Company's **Registered Office** at: GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara - 390020, Gujarat, to transact the following business:

#### **ORDINARY BUSINESS:**

##### **Item No. 1. Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2017, together with the Report of the Board of Directors' and Auditors' and in this regard pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby adopted."

##### **Item No.2. Declaration of Dividend**

To declare Dividend on Equity Shares. The Board of Directors have recommended a Dividend of Rs.0.80/- per Equity Share of Rs.10/- each.

##### **Item No.3. Re-appointment of Director**

To appoint a Director in place of Mr. Satvik Agrawal (DIN: 00010860), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, has offered himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Satvik Agrawal (DIN : 00010860), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

##### **Item No. 4. Appointment of Statutory Auditor and to fix their remuneration**

To appoint Auditors, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 framed thereunder, as amended from time to time, M/s Modi & Joshi, Chartered Accountants (Firm Registration No.: 135442W), be and are hereby appointed as the Statutory Auditors of the Company for a term of five years from the conclusion of this 32<sup>nd</sup> Annual General Meeting of the company upto the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors and agreed to by the Auditors."

#### **Registered Office**

GRAND MERCURE Vadodara  
Surya Palace,  
Sayajigunj, Vadodara 390 020  
CIN: L18119GJ1984PLC006922  
e-mail: [share@suryapalace.com](mailto:share@suryapalace.com)

Place : Vadodara

Date: 23<sup>rd</sup> May, 2017

**By Order of the Board of Directors of  
JINDAL HOTELS LIMITED**

**Karuna Advani  
Company Secretary**

#### **Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (The "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. Brief resume of Director proposed to be re-appointed, nature of expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of the SEBI(LODR), Regulations 2015, with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report. (Please refer Page No. 22 for details)
3. **Members are requested**
  - To bring duly filled attendance slip (Page No. 43) along with the copy of Annual Report to the Meeting and PHOTO ID Proof for attending the meeting.
  - To notify immediately, changes in their address, mandate/ Income Tax Permanent Account Number (PAN) / bank details if any, to the Company/Link Intime India Pvt. Ltd. and if shares held in dematerialized form then to their respective Depository Participants.

NOTICE OF AGM



- **To Update Details:**  
The format of the Register of Members prescribed by the Ministry of Corporate Affairs (MCA) under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit the details to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
  - To **DEMATERIALISE** their Shares Certificates through Depository Participants (DP).
  - **Remittance of Dividend through Electronic Mode :** Members who have not yet availed NECS/RTGS/NEFT facility and wish to avail the same may have their Bank Account details (name of Bank & Branch A/c no., IFSC (Indian Financial System Code), MIRC (Magnetic Ink Character Recognition), for the purpose along with photocopy of Cheque of the same account bearing MIRC Code), updated with their respective Depository Participants (DPs) or Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd, Vadodara, where shares are held in dematerialized form and in physical form, respectively. Please refer NECS mandate at Company's website.
4. The Company has notified closure of Register of Members and Share Transfer Books from **Wednesday, September 6<sup>th</sup>, 2017 to Tuesday September 12<sup>th</sup>, 2017** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
  5. (a) **TRANSFER OF UNCLAIMED/UNPAID DIVIDEND AND SHARES TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF):**  
In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2009-10 is due for transfer to the said Fund on 27<sup>th</sup> October, 2017. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2009-10 onwards, are requested to lodge their claims with the company/ or Share Transfer Agents for the same.
  - (b) Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund ) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special demat account to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF rules.  
**The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the Indian Express (English) and the Financial Express (Gujarati) Ahmedabad edition on 29<sup>th</sup> November, 2016. The Statement of Unclaimed Dividend amount for 7 consecutive years and Shares due for transfer to IEPF Demat Suspense Account is placed on the website of the company at [www.suryapalace.com](http://www.suryapalace.com) Members are therefore requested to approach the Registrar and Share Transfer Agent (Link Intime India Pvt Ltd) of the Company to claim their unpaid dividend, if any.**
  - (c) The Company has transferred the unpaid / unclaimed dividends for the financial year 2008-2009 to the **Investor Education and Protection Fund (the IEPF)**
  6. The Securities and Exchange Board of India (SEBI) has mandated the **submission of Permanent Account Number (PAN)** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt. Ltd.
  7. Members desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed **Form SH 13 (Nomination Form) & SH 14 (Cancellation or Variation of Nomination)**, accordingly to the Share Department of the Company or to the office of the Registrar & Share Transfer Agent. The said forms can be downloaded from the Company's website [www.suryapalace.com](http://www.suryapalace.com) under the section "Corporate Information".
  8. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
  9. **GREEN INITIATIVE:** Members are requested to register/ update email address for receiving electronic communication.
  10. The Notice of the AGM along with the Annual Report of 2016-17 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode.
  11. Members desiring any relevant information or clarifications on the accounts at the AGM are requested to write to the Company Secretary at least 10 days in advance of the meeting, so as to enable the management to compile the information and provide details at the meeting.
  12. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
  13. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours, upto the date of AGM.
  14. **The Process for e-voting:** (E voting)  
The Company is offering remote e-voting facility as an alternate, to all the shareholders of the Company to cast their votes electronically on all resolutions set forth in the Notice herein. For this purpose, the Central Depository Services (India) Ltd (CDSL) shall provide facility for Remote E-voting to enable the Shareholders to cast their votes electronically. **Remote E-voting is optional. Please note that the Electronic Voting Sequence Number (EVSNS) is : 170715008**  
The Company has appointed **Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662 and CP No. 6672)** (Address: B 203, Manubhai Tower, Sayajigunj, Vadodara - 390005) as Scrutinizer for conducting the e-voting process in fair and transparent manner. Copy of the notice (Annual Report) has been placed on the website of the Company viz. [www.suryapalace.com](http://www.suryapalace.com) and the website of CDSL. The result of voting will be announced by the Chairman of the Meeting on or after the 32<sup>nd</sup> Annual General Meeting to be held on Tuesday, 12<sup>th</sup> September, 2017. The result of the voting will be communicated to the Stock Exchange and will be placed on the website of the Company [www.suryapalace.com](http://www.suryapalace.com).

# JINDAL HOTELS LIMITED, VADODARA

## GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **10:00 a.m. on Saturday, 09<sup>th</sup> September, 2017 and ends at 5:00 p.m. on Monday, 11<sup>th</sup> September, 2017**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **05<sup>th</sup> September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address label affixed on the Annual Report.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN 170715008 of <JINDAL HOTELS LIMITED > on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES/NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### 15. Voting Through Polling paper:

In addition, the facility for voting through Polling Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the Meeting through Polling Paper.

# JINDAL HOTELS LIMITED, VADODARA

## GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



### 16. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 :The following statement sets out all material facts relating to certain Ordinary Business mentioned in the accompanying Notice:

These explanatory statements are provided though strictly not required as per Section 102 of the Act.

#### Item No. 1 to 3

Mr. Satvik Agrawal and his relatives may be deemed to be interested in the Ordinary Resolution pertaining to his appointment as set out in Item No. 3 of the Notice.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolutions set out under Item No.1 to 3 of the Notice.

#### Item No. 4 Appointment of Statutory Auditors and to fix their remuneration

Members of the Company had, at the 29th Annual General Meeting of the Company held on September 9, 2014, approved the appointment of M/s. V. Shah & Associates, Chartered Accountants, Vadodara (Registration No.: 109816W), as the Statutory Auditors, to hold office until the conclusion of the 32nd Annual General Meeting. M/s. V. Shah & Associates, Chartered Accountants, having completed the term of their appointment (Three year from the commencement of the Companies Act, 2013), as per the provisions of section 139 of the Companies Act, 2013.

Accordingly, in compliance with provisions of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their Meeting held on 23rd May, 2017 on the recommendation of the Audit Committee, has recommended appointment of M/s Modi & Joshi, Chartered Accountant (Firm Registration No.: 135442W), as the Statutory Auditors of the Company for a term of five years from the conclusion of this 32nd Annual General Meeting of the company upto the conclusion of the 37th Annual General Meeting of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

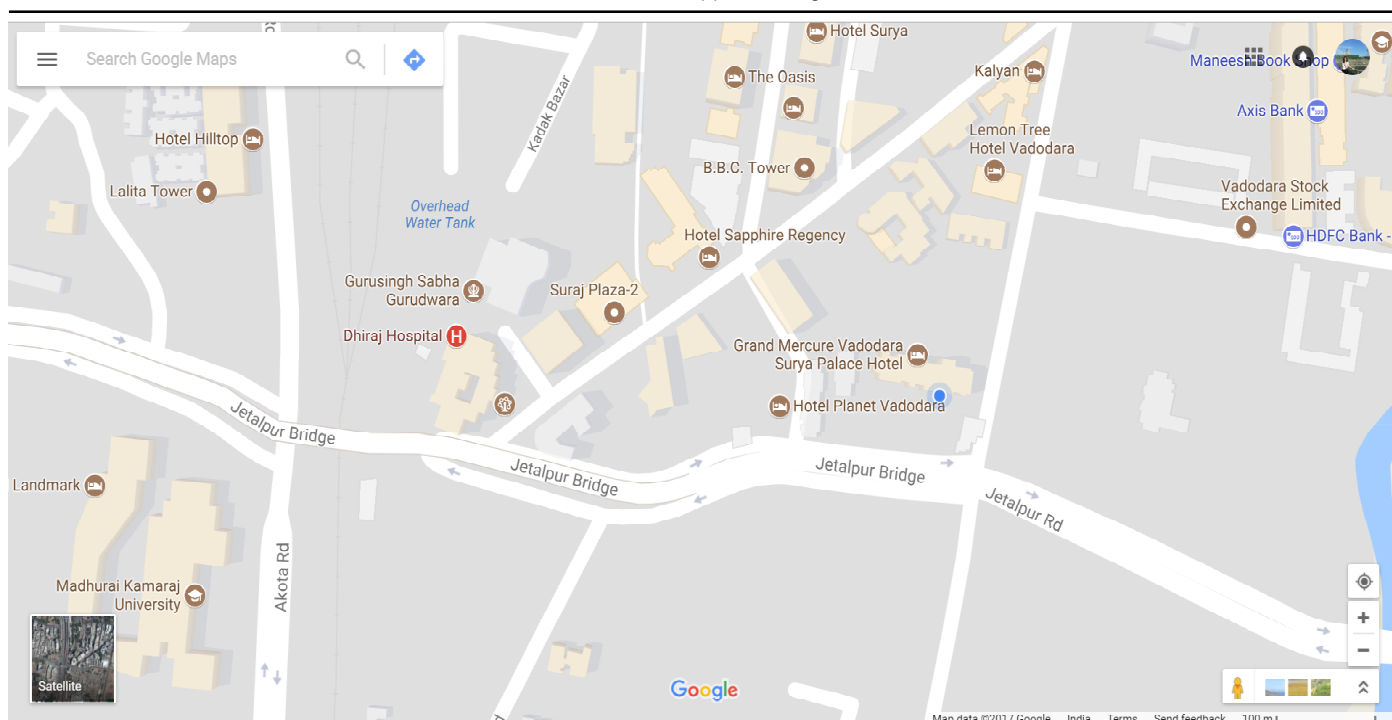
**Registered Office**  
**GRAND MERCURE Vadodara**  
**Surya Palace,**  
**Sayajigunj, Vadodara 390 020**  
**CIN: L18119GJ1984PLC006922**  
**e-mail: [share@suryapalace.com](mailto:share@suryapalace.com)**  
**Place : Vadodara**  
**Date: 23rd May, 2017**

**By Order of the Board of Directors of**  
**JINDAL HOTELS LIMITED**

**Karuna Advani**  
**Company Secretary**

**Venue of AGM** : Route Map : Pursuant to SS-2:Secretarial Standard on General Meeting

**Landmark** : Opp. Parsi Agiri



**Pursuant to SS-2: Secretarial standard on general meeting.**

EXPLANATORY STATEMENT



## Boards' Report & Management Discussion and Analysis

**Dear Members,**

Your Directors are pleased to present the **Thirty Second Annual Report** on the business and operations of your Company along with the audited accounts for the financial year ended **March 31<sup>st</sup>, 2017**.

Your Company continues in its quest for excellence by constant improvement of the guest experience through better service levels and product upgrades. Your Directors believe that the Company should offer increasing value to all its stakeholders and society at large. We have maintained this with our tradition and policy of offering high quality content and services. As stewards of the Company, we will always share our vision of growth with you.

### 1. FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year ended March 31, 2017 is as below:

In Rs.

Financial Performance	Year ended 31.03.2017	Year ended 31.03.2016
Turnover & Other Income	363,704,658	361,025,841
Less: Expenditure	229,467,647	235,472,930
Profit before Depreciation, Interest and Taxation	134,237,011	125,552,911
Interest	59,939,197	53,706,662
Depreciation & Amortization	61,629,797	43,634,604
Profit before Taxation	12,668,017	28,211,645
Provision for Income Tax / Def. Tax	10,176,018	11,781,210
Net Profit after Taxation	2,491,999	16,430,435
Profit Brought Forward	95,165,767	87,512,499
Disposable Surplus	97,657,766	103,942,934
Depreciation pertaining to transitional period (net of tax)	-	-
Transfer to General Reserve	-	3,000,000
Proposed Equity Dividend	-	4,800,000
Tax on Dividend	-	977,167
Balance Profit C/f.	97,657,766	95,165,767

### 2. REVIEW OF OPERATIONS

The tourism and hospitality sectors are intrinsically tied to the economic conditions of any country. Over the short and medium terms, the demonetization drive had varied effects on the many sections of the hospitality industry in the country, but in the long term it may have positive impact on the growth of the hospitality sector. Often, the strong season for the hospitality sector in the country extends from October to March, which to a large extent defines the success for the industry in any given year. The lack of available currency forced some hospitality customers to either postpone / cancel their travel and accommodation or to use hospitality products that easily allow the use of the other modes of payments. Also, the restaurants business – both in hotels and standalone – saw a short-term slowdown in growth on account of the reduced availability of cash and the generally high usage of cash spending in restaurants. The organized banqueting business and the weddings business have dried up, forcing the cancellation of many Indian weddings. The restaurants segment saw a higher impact on account of the discretionary nature of spending in this sector, and the substantially larger base of cash transactions that occur in its when compared to mainstream business hotels.

With banks being flush with liquidity, we anticipate a major reduction in interest costs, which augurs well for the growth of the industry. As more liquidity enters the organized sector along with some further softening of land rates and gradual movement towards cleaner real estate transactions, we anticipate investments into the sector to increase from the organized players who have, in the past, shied away due complexities associated with underlying real estate. The boost provided by the demonetization move to the macro economy of the country will effectively trickle down to the industry.

The revenue growth in your Company was largely driven by the surge in food and beverage income. The supply of premium rooms, however, has gone up as hospitality chains are gradually building up their room inventory on expectations of higher demand. The average room rates, which drive revenue growth, have increased negligibly because of competition in the industry. Looking at the competitive scenario, strategies are being constantly formulated so as to enhance the Room sales business. The renovation, refurbishment and up gradation of guest rooms, supported by personalized service and provision of special amenities for guest comfort, have earned goodwill and guest loyalty. The Company emphasizes the need for a sharp focus on marketing strategy as well as consistent sales effort and this has contributed well to maintaining decent room occupancy and ARR. Our innovative food and beverage offerings also got their due recognition and patronage with significant increase in Restaurant, Banquet and Outdoor Catering businesses. Due to efficiency at every stage of operation, stringent internal cost control system and prudent management measures, the internal cash accruals has also improved considerably.

Hotel companies had been trying to put a lid on costs/expenses to protect their profitability. Hotel operators have also heightened their focus on the food and beverage segment, revenues of which have been consistently increasing and to attract a wide range of global tourists, besides generating interest among domestic travelers.

Your Company continues to pursue expansion and inculcate innovatory skills, to achieve sustainable and profitable growth. Going forward, sustaining the demand trend hinges on improving corporate performance and economic activity in the country.

During the year under review, your Company sustained to maintain stable turnover in adverse market conditions and registered minimal sales growth over previous year. The sales and other income of Financial Year 2016-17 was recorded at Rs.3637.04 lacs (PY Rs.3610.25 lacs). The industry has witnessed nearly same occupancy level and ARRs. RevPAR (Revenue per available Room) being plunged due to competition.



### **3. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **Brand Development**

As part of business strategy and brand development, the Company has entered into a management and marketing agreement with ACCOR group of hotels, an international brand that is compatible with the character and culture of our Company to increase our business prospects, building team and strengthen the marketing network. Collaboration or tie up with an international brand will strengthen our brand equity as well as marketing network. ACCOR a leading chain that is compatible with the character and culture of our Company. Accor is the world's number-one and Europe's leading hotel operator (French hotel group part of the CAC 40 index, Headquartered in Paris, France). Its brand :Grand Mercure. has operated in the Asia Pacific region for almost twenty years, establishing itself as a distinctive upscale collection of hotels and apartment hotels in key business and resort locations around the region. Each Grand Mercure hotel is anchored around 'Discover a new authentic' with the hotel connected closely to its local area through its design, welcome and partnerships. Grand Mercure (Mei Jue) is Accor's purpose-designed Chinese adaption of Grand Mercure. The brand is designed for travellers who enjoy having the familiarity of an upscale hotel brand that speaks and appeals to travellers and is complemented by the hospitality know-how, distribution and reassurance of an international hotel group.

ACCOR's strategy to achieve its stated goal i.e. become the worldwide hotel pacesetter – is based on:

- \*Impactful marketing, in particular to boost the economy hotel business.
- \*Powerful distribution spearheaded by the accorhotels.com portal (over 8.5 million visits a month).
- \*Value-creating asset management that improves the Group's business performance optimizes its financials and supports its growth.
- \*Development strategy that aims to consolidate the Group's leadership in Europe today and step up its presence in emerging countries – especially in Asia Pacific and Latin America – where Accor already has a strong presence.
- \*Clear, compelling pledges for its employees.
- \*Reinventing hospitality sustainably, to nurture smart, responsible, sustainable growth.

These global players have not only strong National but also International Sales and Marketing Set up. With growing number of hotels in each chain, they are also able to tie up with many Airlines, Credit Card Companies and offer attractive loyalty programmes for the customers. The opening of the aviation industry in India has increased opportunities for the Hotels in India and the entire hotel industry is expected to get better returns. As these International Hotel Chains have their Sales offices in all International Markets & major cities of India, the Average Rate of Room Realisation is much higher than the Average Rate of Room realised by the local/city based Sales offices. Their Central Reservation system and association with Global distribution system also yield higher number of room reservations. Invariably, all these chain hotels have their Annual Rate contracts approved by most of the corporate houses which in turn becomes a major source of regular and dependable business. Though as a standalone property, Surya Palace Hotel is very popular in Baroda particularly for its unmatched comfort and impeccable hospitality standards to its guests, it has a limited access to National & International Room Reservation resources and also has negligible exposure to the major Business conferences and seminars. The individual hotels fail to attract quality manpower as it offers little growth potentials for aspiring professionals. Irrespective of their offering high salaries, the option for attracting quality management team is low.

The management is expecting that with the Brand Development i.e. GRAND MERCURE there will be increment in room occupancy rate due to renovation, refurbishment and up gradation of guest rooms, supported by prevalent personalized service and provision of special amenities for guest comfort.

#### **Prospects & Concerns**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. India has moved up 13 positions to 52<sup>nd</sup> rank from 65<sup>th</sup> in Tourism & Travel competitive index. India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

As time rolls, there is bound to be pressure, with fluctuating market and increasing competition from formidable rivals. The telecom revolution coupled with the emergence of the hotel aggregation startups has changed the Indian travel industry. Booked through online room aggregator sites and marketed through the medium of Facebook posts and hotel review sites. As per ICRA estimates, one in every four hotel rooms in India is booked by online means.

Further the Industry has observed that Room rentals have declined: Sales and marketing are the biggest pain points for a property owner. The entry of the likes of Airbnb has opened doors of vacant rooms inside houses of city dwellers to travellers. Townhouse is a hotel brand launched by Oyo to cater to the premium mid-market segment. The online disruption has changed the industry and changed the way Indian traveller books a room. Of course, the online aggregators also try and keep a check on the quality of inventory through user reviews, which is one of the first ways to check, if anything is a miss in the property.

The Government of India on May 19, 2017 announced a four-tier structure of 5, 12, 18 and 28% for various categories in the hospitality industry. Under the pre-GST regime, room revenues attract luxury taxes and service tax. After the announcement of GST rates with different tax slabs across rates for hotel rooms, the hospitality industry is hoping the government will reconsider a single slab of 18 per cent to create a level playing field, apart from giving a boost to tourism. One of the biggest hurdles for the Indian hospitality and tourism industry, in terms of attracting international tourists is that of not having a competitive tax structure. There should be flat tax as room rates are dynamic and based on demand, and the cost of real estate and labour cost varies across the country.

WORLD ECONOMIC OUTLOOK (WEO) UPDATE January 2017: After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States.



# JINDAL HOTELS LIMITED, VADODARA

## GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



In addition to the risks already mentioned, underlying vulnerabilities remain among some other large emerging market economies. High corporate debt, declining profitability, weak bank balance sheets, and thin policy buffers imply that these economies are still exposed to tighter global financial conditions, capital flow reversals, and the balance sheet implications of sharp depreciations.

Geopolitical risks and a range of other non economic factors continue to weigh on the outlook in various regions—civil war and domestic conflict in parts of the Middle East and Africa, the tragic plight of refugees and migrants in neighboring countries and in Europe, acts of terror worldwide, the protracted effects of a drought in eastern and southern Africa, and the spread of the Zika virus. If these factors intensify, they would deepen the hardship in directly affected countries. Increased geopolitical tensions and terrorism could also take a large toll on global market sentiment and economic confidence.

### Current Year

The baseline forecast for the global economy points to a pickup in growth over the rest of the forecast horizon from its subdued pace this year, in the context of positive financial market sentiment, especially in advanced economies. Nonetheless, the potential for disappointments is high, as underscored by repeated growth markdowns in recent years. Against this backdrop, and given the diversity in cyclical positions and policy space, priorities differ across individual economies.

The Indian economy is opening up its horizons as it continues to integrate with the world economy. This has led to the maneuvering of variety of jobs to the shores of India, bringing in its wake transit travelers, business travelers, business meets and holiday seekers. Demand is likely to surge in the current year. We expect to have increase in market share with the ACCOR brand - several advantages because of its Central Reservation System (CRS). A strong Guest Relations Management (GRM) Le-Club Loyalty Programme initiative has been activated through personalized services, collection and analysis of guest information, effective communication and proper networking system. This will ensure that we retain as well as build upon current businesses and consolidate our market positions. Meetings, Incentives, Conventions and Events' (MICE) is a new concept which many hospitality companies are adapting to and there is an ample room for growth. Your Company continues in its quest for excellence by constant improvement of the guest experience through better service levels and product upgrades. A lot of credit for these enhanced satisfaction levels goes to the positive experience at the newly furnished rooms. The suites as well as renovated rooms have been very well received and were a key differentiator that facilitated in the hotel garnering high profile business from corporate leaders & renowned personalities from national & international platform.

Our main forte and focus has been the popularity of Food and beverages facilities. The foray of Indian restaurants into a variety of global cuisines is having a positive impact on the F&B sector. Customers are more willing to experiment with different cuisines because it is now easily accessible in the cities they live in, and this trend had increased Indian consumers' frequency of eating out.

We are indeed proud to share that your Company has been recognized and duly awarded Certificate of Excellence for the year 2017 by its guests by TRIP ADVISOR. in world's most trusted travel advice portal.

Your Hotel's communication campaign is through leading dailies, magazines, hoardings and social networking (Facebook and Twitter) also. The management has taken active steps to promote the property with some effective marketing initiatives. We are launching some new services to add to the brand portfolio. Internal skill sets are being honed and developed for better utilization and implementation of available resources. With these efforts, we hope to maintain the profitability of your Company in the coming years.

The optimism surrounding the Indian hospitality industry is not without challenge. The industry faces certain obstacles, which need to be overcome to realize its potential to the fullest.

### Future Prospects

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, according to a study conducted by SRI International. In view of the positive long-term outlook, your Company remains committed to its delivery levels of service excellence and customer centricity. It is well positioned to sustain its leadership status in the Vadodara Market. Accor Hotels India has adopted a 'born in France, made in India' approach to increase its properties in India, which has reached a total of 45 hotels and is expected to increase to 55 hotels by 2017.

### Expansion & Renovation Project

During the FY 2016-17, the Company had completed the expansion project and Renovation of Rooms Project for existing Hotel Building.

### Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. In the Union Budget 2017-18, the Government of India announced some initiatives to give a boost to the tourism and hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of Incredible India campaign among others. The Central Government has taken a number of steps for smooth transitioning to cashless mode of payment to ensure that no hardship is faced by the tourists and the tourism industry remains unaffected from government's demonetisation move.

### 4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Nilesh Shah, Director resigned on 18<sup>th</sup> March, 2017 due to busy schedule and other operational works. He is one of the Promoter Director of the Company. The Board has taken on record his valuable services and the Company is thankful to him for his dedication and excellent services during the tenure.

Mr. Satvik Agrawal retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. The Directors recommend re-appointment of Mr. Satvik Agrawal as a Director on the Board.

In the 31<sup>st</sup> Annual General meeting held on 20<sup>th</sup> September, 2016, the Company had

\*appointed Mr. Satvik Agrawal and Ms. Shagun Mehra as Directors on the Board of the Company;

\*appointed Ms. Shagun Mehra as whole time director and reappointed Mr. Piyush Shah as Managing Director for a term of three years w.e.f 1<sup>st</sup> August, 2016 to July 31, 2019;

### 5. RESERVES

The Board do not recommend to transfer any amount to General Reserves.



**6. DIVIDEND**

In view of considerable fund deployed in "Expansion & Renovation Project" your Directors, recommend a dividend @ 8% i.e. Rs. 0.80 per Equity Share of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2017, subject to approval of the shareholders at the Annual General Meeting.

**7. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend for the financial year ended March 31, 2010 is due for remittance on 27<sup>th</sup> October, 2017 to the Investor Education and Protection Fund established by the Central Government.

Further Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special demat account to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The Company has intimated individually to all such shareholders, (for details refer point no. 5 (b) of Notice of AGM on Page No. 4).

**8. SHARE CAPITAL**

The paid up equity share capital as on 31<sup>st</sup> March 2017 was Rs. 6,00,00,000/-. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

**9. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished below:

**#CONSERVATION OF ENERGY**

The Company is extremely cautious with regard to resource management & particularly the energy conservation be it electrical or gas consumption. We have installed necessary capacitors in our electrical sub stations & VFD (Variable Frequency Drive) in most of the motors. All the halogens, incandescent bulbs & even the PL tubes (Plug in light) are almost replaced with LED (Light Emitting Diodes). The entire property has magnetic door locks which monitors the overall supply to individual guest rooms & thermostats controls are provided for guest comfort & energy saving. All the glass window are replaced with Double Glace DGU & fixed sunscreen protection are laid on them. The new magnetic chillers used for air conditioning process have proved to be major savers.

Besides these, the hotel teams continued their efforts to explore opportunities to reduce energy consumption by:

- controlled use of lighting and other equipment;
- regulating of chilled water set points according to ambient temperature;
- setting benchmarks for energy consumption by area.
- upgrading building management systems;
- Zero Flush Urinals installed in Banquet Halls (Save Water Save Energy)

Every Quarter we have a trend of celebrating Energy Saving Week wherein entire team is motivated not only to save energy but also to contribute their ideas for energy conservation.

**#TECHNOLOGY ABSORPTION**

In the Opinion of the Board, the required particulars, pertaining to technology absorption are not applicable as hotels form part of service industry.

**# FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, your Company earned Foreign Exchange of Rs. 1,41,51,135/- (PY Rs. 120,30,229/-), whereas outflow of foreign exchange was Rs.78,76,885/- (PY Rs. 101,11,482/-)

**11. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has been taking proactive approach concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

(a) financial;(b) legal and regulatory;(c) operating; and(d) commercial risks, including health, safety and environment.

The Company does not have any Risk Management Committee as the Board takes into consideration all the risk factors at regular intervals at its meetings.

**12. INSURANCE**

The Company has a broad-banded approach towards insurance. Adequate cover has been taken for all movable and immovable assets against numerous risks and hazards.

**13. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for the Sexual Harassment of Women at Workplace. The Company has adopted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman & Managing Director. All female employees are covered under the policy. There was no complaint received from any employee during the financial year 2016-17 and hence, no complaint is outstanding as on March 31, 2017 for redressal.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.